

Fill in this information to identify the case:

Debtor Name Calvin Ray Kennedy and Cythia M. Kennedy

United States Bankruptcy Court for the: Western District of NC
(State)

Case number: 20-30208

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of December 31, 2020 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
Ramsey-Peele Corp.	85%	1
Value Innovation Technologies Corp.	85%	2

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

Debtor Name Calvin Ray Kennedy and Cynthia M. Kennedy

Case number 20-30308

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X

Signature of Authorized Individual

Printed name of Authorized Individual

Date _____
MM / DD / YYYY

For individual Debtors:

X

/s/ Calvin Ray Kennedy

Signature of Debtor 1

Calvin Ray Kennedy

Printed name of Debtor 1

Date 05/24/2021
MM / DD / YYYY

X

/s/ Cynthia M. Kennedy

Signature of Debtor 2

Cynthia M. Kennedy

Printed name of Debtor 2

Date 05/24/2021
MM / DD / YYYY

Tab 1

Ramsey Peele Corporation

Exhibit A

Financial Statements for Ramsey-Peele Corp.

Exhibit A-1

Balance Sheet

Ramsey-Peele Corp.

Ramsey-Peele Corporation
Balance Sheet
As of December 31, 2020

	Total
ASSETS	
Current Assets	
Total Cash	\$ 1,087,567.28
Other Current Assets	
1255 (Due to)/from Affiliates	176,898.30
Total Other Current Assets	\$ 176,898.30
Total Current Assets	\$ 1,264,465.58
Total Fixed Assets	\$ 69,989.89
Other Assets	
Security Deposits	19,415.00
Total Other Assets	\$ 19,415.00
TOTAL ASSETS	\$ 1,353,870.47
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	\$ 914,451.90
Other Current Liabilities	
Other Current Liabilities	11,351.16
PPP Loan Payable	564,770.00
Total Other Current Liabilities	\$ 576,121.16
Total Current Liabilities	\$ 1,490,573.06
Long-Term Liabilities	
2130 Notes Payable - Daimler Truck	18,709.68
Notes Payable - C.Ray & Cynthia Kennedy	797,912.26
Notes Payable - Cynthia Kennedy	51,347.16
Notes Payable - Kim Griffith	390,811.57
Notes Payable - Lending Club	98,446.21
Total Long-Term Liabilities	\$ 1,357,226.88
Total Liabilities	\$ 2,847,799.94
Equity	
3000 Common Stock	1,000.00
3001 Paid-In Capital or Surplus	175,921.49
Opening Balance Equity	-2,214,467.00
Retained Earnings	-117,657.02
Net Income	661,273.06
Total Equity	-\$ 1,493,929.47
TOTAL LIABILITIES AND EQUITY	\$ 1,353,870.47

Exhibit A-2

Statement of Income

Ramsey-Peele Corp.

Ramsey-Peele Corporation Profit and Loss

For the Year to Date Period Ending December 31, 2020

	Total
Income	
Food Services	177,858.27
Grants	1,777,280.82
NC Pre-K	782,533.86
Tuition	2,293,086.55
Total Income	\$ 5,030,759.50
Total Cost of Goods Sold	\$ 338,946.10
Gross Profit	\$ 4,691,813.40
Expenses	
6300 Insurance	182,306.85
6700 Salaries and Wages	2,708,762.28
6730 Payroll Taxes	204,974.19
6740 401K Employer Match	9,058.04
6750 Other Payroll Expenses	23,848.69
Bank Charges & Fees	3,510.19
Car & Truck	56,114.73
Charitable Contributions	800.00
Dues & subscriptions	4,541.16
Employee Benefits	1,040.13
Employee Training	4,303.64
Interest Paid	5,052.40
Legal & Professional Services	88,436.15
Meals & Entertainment	1,941.55
Office Supplies & Software	14,823.59
Other Business Expenses	1,507.74
Reimbursable Expenses	636.82
Rent & Lease	455,970.38
Repairs & Maintenance	159,746.86
Shipping and Postage	265.15
Storage	12,724.00
Supplies & Materials	14,663.23
Taxes & Licenses	2,741.46
Travel	420.28
Utilities	82,350.83
Total Expenses	\$ 4,040,540.34
Net Operating Income	\$ 651,273.06
Other Income	
Emergency Injury Disaster Grant	10,000.00
Total Other Income	\$ 10,000.00
Net Other Income	\$ 10,000.00
Net Income	\$ 661,273.06

Exhibit A-3

Statement of Cashflows

Ramsey-Peele Corp.

Ramsey-Peele Corporation
Statement of Cash Flows
January - December 2020

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	661,273.06
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1255 Due to/(from) Affiliates	-139,771.96
Accounts Payable (A/P)	352,133.57
Other Current Liabilities	1,900.99
PPP Loan Payable	564,770.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>\$ 779,032.60</u>
Net cash provided by operating activities	<u>\$ 1,440,305.66</u>
FINANCING ACTIVITIES	
2130 Notes Payable - Daimler Truck	-20,744.52
Notes Payable	-97,514.97
Notes Payable - C.Ray & Cynthia Kennedy	-324,303.44
Notes Payable - Lending Club	-10,963.08
Net cash provided by financing activities	<u>-\$ 453,526.01</u>
Net cash increase for period	<u>\$ 986,779.65</u>
Cash at beginning of period	100,788.63
Cash at end of period	<u>\$ 1,087,568.28</u>

Exhibit A-4

Changes in Shareholder's Equity

Ramsey Peele Corp.

No changes.

Exhibit B

Description of Operations

Ramsey-Peele Corp.

Ramsey-Peele Corp. operates three daycare centers in the Charlotte, NC area under the name University Child Development Center.

Exhibit C

Description of Intercompany Claims

Ramsey-Peele Corp.

As of December 31, 2020, Value Innovation Technologies Corp. owed Ramsey-Peele Corporation \$175,898.30.

Exhibit D

Allocation of Tax Liabilities

Ramsey-Peele Corp.

There is no allocation of tax liabilities.

Exhibit E

Description of Payments Made by Ramsey-Peele Otherwise Payable by the Debtors

Ramsey-Peele Corp., in lieu of rent on the Northcross and Clark Creek properties, pays the monthly mortgage and escrow payments to Wilmington Savings Fund Society, FSB, d/b/a Christiana Trust, not in its individual capacity but solely as Owner Trustee of Residential Credit Opportunities Trust II.

Tab 2

Value Innovation Technologies Corp.

Exhibit A

Financial Statements for Value Innovation Technologies Corp.

Exhibit A-1

Balance Sheet

Value Innovation Technologies Corp.

Value Innovation Technologies Balance Sheet

As of December 31, 2020

	Total
ASSETS	
Current Assets	
Total Cash	\$ 30,178.38
Total Current Assets	\$ 30,178.38
Fixed Assets	
1625 eLink Software	2,411,054.10
1702 Accumulated Depreciation	-634,052.00
Total Fixed Assets	\$ 1,777,002.10
TOTAL ASSETS	\$ 1,807,180.48
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	\$ 50,979.79
Other Current Liabilities	
2010 Unearned Income	58,333.35
Loan Payable	212,706.44
PPP Loan Payable	50,510.00
Total Other Current Liabilities	\$ 321,549.79
Total Current Liabilities	\$ 372,529.58
Long-Term Liabilities	
2110 Note Payable - R. Annable	150,000.00
2120 Note Payable - C. McKee	34,371.14
2130 Note Payable - Decathlon	2,405,030.90
2152 Note Payable - Mr. Kennedy	246,352.52
2155 Note Payable - Related Parties	174,898.30
Total Long-Term Liabilities	\$ 3,010,652.86
Total Liabilities	\$ 3,383,182.44
Equity	
3000 Common Stock	891,714.64
3550 Paid-In Capital	20,759.92
Opening Balance Equity	-2,753,186.00
Retained Earnings	519,149.17
Net Income	-254,439.69
Total Equity	-\$ 1,576,001.96
TOTAL LIABILITIES AND EQUITY	\$ 1,807,180.48

Exhibit A-2

Statement of Income

Value Innovation Technologies Corp.

Value Innovation Technologies Profit and Loss

For the Year to Date Period ending December 31, 2020

	Total
Income	
4028 Gateway Subscription	41,666.65
Consulting	80,000.00
Total Income	\$ 121,666.65
Cost of Goods Sold	
5000 eLink Software Costs	44,870.78
Total Cost of Goods Sold	\$ 44,870.78
Gross Profit	\$ 76,795.87
Expenses	
6300 Insurance	49,674.02
6700 Salaries and wages	111,842.93
6710 Contractors	23,573.49
6730 Payroll Taxes	9,990.56
Bank Charges & Fees	1,697.05
Interest Paid	53,029.70
Legal & Professional Services	36,025.27
Other Business Expenses	0.00
Rent & Lease	41,125.30
Utilities	4,277.24
Total Expenses	\$ 331,235.56
Net Operating Income (Loss)	\$ (254,439.69)
Net Income (Loss)	\$ (254,439.69)

Exhibit A-3

Statement of Cashflows

Value Innovation Technologies Corp.

Value Innovation Technologies
Statement of Cash Flows
For the Year to Date Period Ending 12.31.20

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	-241,806.12
Adjustments to reconcile Net Income to Net Cash provided by operations:	
2000 Accounts Payable (A/P)	14,597.54
2010 Unearned Income	58,333.35
Loan Payable	-47,293.56
PPP Loan Payable	50,510.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ 76,147.33
Net cash provided by operating activities	-\$ 165,658.79
FINANCING ACTIVITIES	
2110 Note Payable - R. Annable	-188,684.93
2155 Note Payable - Related Parties	140,109.22
3000 Common Stock	241,714.64
3550 Paid-In Capital	1,159.92
Net cash provided by financing activities	\$ 194,298.85
Net cash increase for period	\$ 28,640.06
Cash at beginning of period	1,538.32
Cash at end of period	\$ 30,178.38

Exhibit A-4

Changes in Shareholder's Equity

Value Innovation Technologies Corp.

None.

Exhibit B

Description of Operations

Value Innovation Technologies Corp.

Value Innovation Technologies Corp. is a software service company which builds electronic shopping catalogs for business clients.

Exhibit C

Description of Intercompany Claims

Value Innovation Technologies Corp.

As of December 31, 2020, Value Innovation Technologies Corp. owed Ramsey-Peele Corporation \$175,898.30.

Exhibit D

Allocation of Tax Liabilities

Value Innovation Technologies Corp.

There is no allocation of tax liabilities.

Exhibit E

Description of Payments Made by Value Innovation Technologies Corp. Otherwise Payable by the Debtors

None.